

MUTALE MUNICIPALITY



***APPROVED 2012/2013- 2014/2015
MEDIUM TERM REVENUE
&
EXPENDITURE FRAMEWORK***

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2. MAYOR'S REPORT

Madam Speaker
Members of the Executive Council
Honorable Councilors
Former Councilors
Acting Executive Mayor
Khosi Vho- Khakhu,
Vho Rambuda,
Vho- Nethengwe,
Vho- Tshikundamalema,
Vho -Manenzhe,
Vho –Makuya
Vho-Mutele.
Youth,
Women
Community Leaders
Leadership of Various Religious Formations
Accounting Officer and all Administrators
Leaders of all Sectors business
Community based organization
Members from Media both electronic and print
Distinguished guests
Comrades,
Ladies and gentlemen

Ndi mats Sheloni

MADAM SPEAKER

I would like to extend warm greetings to all who are here this afternoon at the occasion of 2012 / 2013 budget speech.

The state of the municipality address takes place during a significant year in the history of our country, the celebration of the Centenary of the ruling party the African National Congress.

In October 1911, Pixley Ka Isaka Seme, made a clarion call for the unity of the African people. What does it mean to us today? It means united we stand as the people of Mutale but divided we fall. Lets all emulate our predecessors.

Mutale Local Municipality belongs to all who live in it, young and old; no municipality can justly claim authority unless it is based on the will of the people. Together we can build better Mutale Local Municipality.

The African National Congress is the oldest liberation party in the continents, it fought against colonialism, white domination, and black domination, physical and economic oppression. The youth of today are fighting for the economic freedom in their life time.

MADAM SPEAKER

Mutale Local Municipality will continue with the responsibility of building inspired and patriotic communities that is able to confront head on the scourge of poverty, hunger, unemployment, diseases and all other socio – economic challenges. This can only be achieved if we are working together with the entire stake – holder as well as the sector departments.

The creation of a better life for all is a must to all of us, especially the municipal office bearers and municipal officials. This financial year, we will work tirelessly with the programme of action as entails in our integrated development planning (IDP) and in the Service delivery and budget implementation in the IDP will definitely improves the living conditions of our beloved people.

MADAM SPEAKER

Mutale local Municipality as a developmental municipality is located in rural, with a lot of economic opportunities in tourism, agriculture, and mining and manufacturing. Last year in the State of the municipality address, we declared the year of job creation and we mobilized sector departments to work with us in job creation. We are very happy to announce that through the expanded public works programme – people were employed. This year we hope to increase the number.

HONOURABLE SPEAKER

We are pleased to announce that Thengwe High School is our shining star in 2011 grade 12 matric results by obtaining position three in Limpopo Province. We also congratulate Niani Secondary School and Phophi Secondary School for obtain 100 % pass, that is great, keep it up. The two top learners are from Thengwe, those are Netshisaulu Zwivhuya Israel and Matibe Vhuhwavho. Education opens the doors of life, let's encourage and motivate our learners to take education very seriously than anything else:

- Shine Thengwe High School Shine!
- Shine Niani Secondary School Shine!

- Shine Phophi Secondary School Shine!

The School manager of Thengwe High School Mr. Nemudzivhadi Nkhangweleni Elias was awarded Kadar Asmal Leadership award as the best school manager in South Africa. Lets all stand up to honor this son of the soil from Lukau Village. The community of Mutale lets be proud of our talents that God has given us. Mutale Municipality wants to take this opportunity to thank all the dedicated educators who guided and assisted learners from grade 1 to grade12 towards the improved results in 2011 final examination.

MADAM SPEAKER

Despite the persistent outcry about crime in Vhembe District and in our Municipality we are still the safest Municipality to visit and stay in the district. In our view, this can only mean that communities and South African Police Service (SAPS) in Mutale are doing a sterling job to keep us safe, keep it up. HIV and AIDS continue to be a great cause of concern in our municipality. our beloved people are passing on daily, but statistics shows Mutale is the lowest compared to other municipalities within the district we are at _____ % .Mutale sub – district has done all what is required to be done in relation to fight against HIV/AIDS. Let's encourage our people to abstain, be faithful to our partners and condomise'(ABC).

MADAM SPEAKER

Last week-end on the 26th and 27th of this month, we have embark on the IDP and budget public participation in all the thirteen wards. The outcome was marvelous; this process of public participation seeks to ensure that communities air their views in the affairs of service delivery. The areas which need more attention are:

- Water
- Electricity
- Housing
- Access roads and
- Jobs

Mutale Municipality this financial year will dedicate more resources to infrastructure development as it was declared by the President of the country Jacob Zuma in his state of the nation address in february2012 and also the Premier Cassel Mathale in his state of the Province address respectively.

MADAM SPEAKER

We are proud to give an overview of the following achievement for 2011/2012 financial year: We have electrified 27 villages and 14 of those are completed and energized, those are:

- Mukununde
- Tshamutavha
- Maramanzhi
- Maludzhawe

- Guyuni la Ha-Makuya
- Khakhu Thondon
- Madatshitshi
- Mavhode
- Goma
- Tshikalini
- Lutshindwi,
- Tshilamusi
- Tshokotshoko
- Mangaya
- Tshandama

The contractors are on site to finalize the snag lists with the remaining villages; this is the highest achievement ever.

MADAM SPEAKER

Looking back in 2011/2012 financial year, Mutale Municipality is proud to announce that we did very well on delivering basic services to the residents of Mutale ,with the few challenges that we uncouncted on the provision of water ,electricity and revenue collection. We are making an appeal to the community of Mutale and sector departments to pay their dues regularly

MADAM SPEAKER

Honorable members, our budget for this financial year 2012/2013 are R82 Million and the main sources are the following;

- Property rates
- Rentals
- Traffic and Licensing
- Grants and Subsidies.

The above mentioned sources of income indicate that there is a great need for the communities and the sector departments to pay for the services they received from the Municipality without failure. Through that support, we will be able achieve our mandate to deliver better and sustainable services to our people.

The operational budget for this financial year is R63, 3 million, whereas the Capital budget is R18, 5 million. Working together with the entire stake – holders, we can build a better Mutale.

MADAM SPEAKER

Mutale Local Municipality, together with the communities face major challenges such as poverty, unemployment and underdevelopment .Nevertheless, we are proud of how things have changed since we achieved democracy in 1994.Iam standing here this afternoon to present our 2012/2013 infrastructure development.

ELECTRICITY

Working together with ESKOM we have planned to electrify 5 villages this financial year:

- Pile
- Baimore
- Pfimbida
- Tshiuangani
- Makuleni A, B, C.

The total units are 631

WATER INFRASTRUCTURE:

Water is the most precious commodity that every household, institutions and all the living creatures need it for survival. As per our integrated development plan, the following water projects will be implemented this financial year:

- Gundani and Tshamutora Water reticulation
- Bulk pipe line from Muswodi Dipeni to Tshiungani, Zwigodini to Tshipise
- Mavhode, Madatshitshi, Tshamulungwi water reticulation
- Tshishivhe,Mulodi and Mangaya water reticulation
- Upgrading of Mutale Regional water Scheme
- Tshangwa, Baimore and Tshiungani water reticulation

Those are our major water infrastructure development; there are some that will also be implemented.

ROADS INFRASTRUCTURE

The road network is very critical in service delivery. The following road network will be implemented:

- Upgrading of Guyuni / Khunguni from gravel to tar.
- To complete Thengwe to Tshandama road.
- Construction of Mulevhe bridge
- Construction of culverts in villages

MADAM SPEAKER

There is a lot that we still have to do, since the last local government election in 2011; our work has been guided by two principles

- Working together we can do more to address the problems our municipal face, and
- We need to do things differently to ensure faster change, at our Municipality, this is even more important.

During the recent district outreach programme at Ha-Makuya. We have heard people's concerns, as a municipality we will share with sector departments, the problems that people have experienced at various local communities. To make municipality work better, it requires effective cooperation and strong support by both the provincial and National government.

Together we can build better communities!

Ndo livhuwa

Thank you

Baie dankie

CLR MATIBE TB

2. Budget Resolutions

On 31 May 2012 the Council of Mutale municipality met in the Council Chamber of Mutale municipality to consider the annual budget of the municipality for the financial year 2012/13. The Council approved and adopted the following resolutions:

- 1 That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the Mutale Municipality for the financial year 2012/13; and indicative allocations for the two projected outer years 2013/14 and 2014/15; and the multi-year and single year capital appropriations are tabled as set-out in the following tables:**
 - 1.1 Budgeted Financial Performance (revenue and expenditure by standard classification);
 - 1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote);
 - 1.3 Budgeted Financial Performance (revenue by source and expenditure by type); and
 - 1.4 Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source

- 2 That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set-out in the following tables:**
 - 2.1 Budgeted Financial Position;
 - 2.2 Budgeted Cash Flows;
 - 2.3 Cash backed reserves and accumulated surplus reconciliation;
 - 2.4 Asset management; and
 - 2.5 Basic service delivery measurement.

- 3 That the consolidated budget that includes the financial impact of all municipal entities is noted.**

- 4 That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste services, sanitation**

services and property rates as set out in Budget Chapter 21 and annexure A respectively that were used to prepare the estimates of revenue by source, are tabled with effect from 1 July 2012.

- 5 That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy (or the amendments to the rates policy) as set out in Budget Chapter 19 and Annexure A is tabled.
- 6 That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in Supporting Table SA7 are tabled.
- 7 That in terms of section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 of 2003, the amendments to the integrated development plan as set out in Budget Chapter 17 are tabled.
- 8 That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, the budget-related policies, including any amendments as set out in Budget Chapter 19 are tabled for the budget year 2012/13.
- 9 That the Basic Services Package as set out in Budget Chapter 19 is tabled for the budget year 2012/13.

NETSHIPISE LIVHUWANI HILDA
SPEAKER

DATE

2. Executive Summary

The budget has been compiled and funded in terms section 18 (1) of Municipal Finance Management Act. The results from consultative forums were considered and positively and taken.

The budget process plan was prepared and tabled to council and approved. On the 30 March 2012, the draft Integrated Development Plan, draft Budget, draft Organizational structure and draft tariff structure were tabled to council. Public Participation was conducted on 26-27 May 2012 in all thirteen wards.

The revenue sources to fund both operating and capital expenditure for 2012/2013 financial year are as follows

Grants and Subsidies	R 72,159,253 million
Accumulated Funds [own/other income]	R10, 025,846 million
External Borrowings	<u>R = nil</u>
Total Income Budget	R82, 185,099 million

The Capital budget for 2012/2013 financial year is R18, 543,150 million

The operating budget for 2012/2013 is subdivided as follows:

Employee related costs	R 30, 303,245 million
Councilors remuneration	R 6,880,798 million
Repairs & Maintenance	R 7,013,260 million
General Expenditure	<u>R19, 444,646 million</u>
Total operating expenditure	R63, 641,949 million

Municipal Tariffs have been generally increased by 5.4%.

A service provider (KWCRS) has been appointed by the district to assist the municipality in cost recovery

Past financial performances for the past two years are indicated below:

REVENUE	2009/2010	2010/2011
Property rates	763 922	3 110 860
Service charges	6 487 911	193 131
Rental of facilities	70 323	70 183
Interest- income	181 530	350 277
License and permits	2 558 289	2 225 830
Fines	262 170	194 355
Grants	54 455 873	41 125 734
Other revenue	1 745 938	646 285
EXPENDITURE		
Employee related costs	35 811 530	22 248 564
Councilors allowance	4 689 900	5 231 388
Repairs and maintenance	2 084 914	2 811 998
General expenditure	8 024 519	6 267 362
NET SUPLUS/ DEFICIT		7 204 690

The priorities as outlined in the Integrated Development Plan are in line with the National, Provincial and District priorities covers (amongst others)

1. job creation
2. local economic development
3. basic service delivery (access to water, sanitation, electricity, refuse removal and municipal roads)
4. financial management (clean audit, revenue enhancement, asset management etc)
5. public participation

The Budgetary constraint that the municipality is facing is the extent of operational budget which exceeds the capital budget. The contributing factor is the salary budget which consumes bigger percentage of the whole budget. This is due to high staff component that is a result of transfer of staff from sector departments to local municipality. Furthermore National Treasury gives a minimal allocation in respect MIG which is solely utilized to implement capital projects. Whilst the municipality is having a bigger percentage of the budget being salaries (69%), annually there are salary increments which should be affected with low revenue base which the municipality have

This situation will continue until such time that the municipality has improved its revenue base and utilizes that improvement to implement capital projects.

In the year 2012/2013 A multi year project to tar Tshilamba and Masisi streets will continue. A grader will be purchased. See supporting table SA36 for a (Summary of detailed Capital budget) for the years.

Tariff Policies

Municipality tariff policy provide a board framework within which the council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

The budget is approved with the following policies: supply chain management policy, cash management policy, fixed asset policy, revenue management policy, property rates policy, risk management policy, tariff policy, indigent policy and virement policy

Progress with the provision of basic services:

1. electricity

- 18 830 households have access to electricity and 5 639 still outstanding

2. refuse removal

- 1500 households have access to refuse removal and 22 969 still outstanding

3. municipal roads

- 294 km roads, 4.9km tarred with the backlog of 106.6 km and 183 km roads gravel

3.1 Annual budget tables

The budget tables are detailed in **annexure A**. It includes the following:

Number	Description
Table A1	Budget Summary
Table A2	Budgeted Financial Performance (revenue and expenditure by classification)
Table A3	Budgeted Financial Performance (revenue and expenditure by municipal vote)
Table A4	Budgeted Financial Table Performance(revenue and expenditure)
Table A5	Budgeted Capital Expenditure by vote, standard classification and funding
Table A6	Budgeted Financial Position
Table A7	Budgeted Cash Flows
Table A8	Cash backed reserves/accumulated surplus reconciliation
Table A9	Asset management
Table A10	Basic service delivery measurement

3.2 Budget Related Charts and Explanatory Notes.

The budget related charts to support the tables are also shown for each table in annexure B. The charts are displayed in the following sections:

Chart	
A1	Revenue by Municipal Vote classification
A2(a)-A2(b)	Expenditure by Municipal Vote
A3	Revenue by standard classification
A4	Expenditure by standard classification
A5(a)-A5(b)	Revenue by Source- Major

A6	Revenue by Source- Minor
A7	Expenditure by Type- Major and Minor
A9-A10	Capital expenditure by Municipal Vote- Major and Minor
A11	Capital Expenditure by Standard Classification
A12	Capital Expenditure by Municipal Vote (Major trend)
A13	Capital funding by source
A14	IDP Strategic Objectives- Revenue
A15	IDP Strategic Objectives- Expenditure
A16	IDP Strategic Objectives Capital Expenditure
A17	Debt (borrowing as a % of total revenue collection)
A18	Revenue collection
A19-A20	Distribution losses and borrowed capex funding
A21	Expenditure analysis (of total revenue)
A22	Service charges- Revenue % change

4. SUPPORTING DOCUMENTATION

The budget is accompanied by supporting documents in terms of section 17 (3) of the MFMA.

*See supporting tables SA1 –SA 37 in **annexture C***

4.1 Overview of annual budget process

The budget process plan was prepared and tabled to council on the 31 August 2011. The budget instructions were issued to head of departments in September 2011 for submission of the budget proposals to the Chief Financial Officer for consolidation. The IDP and budget public participation were held on 26-27 May 2012 in all thirteen wards.

1. Political oversight of the budget process

The key to strengthening the link between priorities and Spending plans lies in enhancing political oversight of the budget process. Section 53(1) (a) of the MFMA states that the mayor of a municipality must provide political guidance over the budget process and the priorities that must guide the preparation of the budget.

The Mayoral Budget and Policy Monitoring Committee has a significant role to play in the financial planning process. Strengthening the link between Government's priorities and spending plans is not an end in itself, but the goal should be enhanced service delivery aimed at improving the quality of life for all the people within the Municipality.

Political oversight of the budget process is essential to ensure that:

- o The political executive is responsible for policy and prioritization

- o Policy priorities are linked to departmental spending Plans and the delivery of quality services.

Budgeting is primarily about the priorities and choices that the Municipality has to make in deciding how to meet the agreed set of policy objectives through better service delivery. Political oversight of the budget process allows Government and in particular the Municipality to Manage the tension between competing policy priorities and fiscal realities. The key to strengthening the linkage between priorities and departmental plans lies in enhancing political oversight of the IDP and Budget process. The Mayor, Mayoral Committee, Lekgotlas, and an extensive community consultation process play a leading role in guiding the alignment of resource allocations with national, provincial and local priorities.

2. Schedule of Key Deadlines relating to budget process (MFMA s 21[1][b])

The budget time schedule for the compilation of the draft 2012/13 MTREF was approved by Council on 31 August 2011

3. Process of tabling and approval of the draft budget in council for consultation

- Council approval of draft 2012/2013 MTREF for community consultation purposes-30 March 2012

4. Consultation with stakeholders and outcomes

The draft 2012/2013 MTREF tabled before council on 31 March 2012 for community consultation was made available on municipality's website and hard copies was made available at various Tribal Council offices.

All documents in the appropriate format (Electronic & Printed) was provided to Provincial Treasury in accordance with the MFMA, to give opportunity for their inputs

Community consultation process took place on 26-27 May 2012

After consideration of all budget submission the Mayor was be given opportunity to respond, if necessary revise the budget and table amendments for consideration.

5. Stakeholders involved in consultations

The stakeholders involved were organized businesses, churches, non-governmental institutions, community-based organizations and individual members of the public.

The budget was submitted to Provincial treasury on the 11 April 2012 for their consideration, in line with section 23 of the MFMA.

5.1 Overview of alignment of budget with Integrated Development Plan

The programs and Projects that have been reflected in the Integrated Development Plan have been budgeted for. The positions reflected in the Organizational structure will all be filled in the budget year 2012/2013.

1. Vision

A developmental Municipality that ensures sustainable economic growth and equitable service delivery

2. Mission

“We strive to provide quality service & building local economy through information and knowledge building, strong partnerships in harmony with the natural environment.”

3. Core Values and Operating Principles

- Deliver on the mandate of the people of Mutale
 - Achieve state-led development through an effective Intergovernmental Relations System (IGR);
 - Drive integrated development
- Ensure transparency and accountability;
- Provide quality service delivery and implement Batho Pele;
- Build institutional capacity and achieve transformation;
- Develop strategic partnerships;
- Achieve people-centered development
- Use e-governance as a means to make government accessible to the people.

4. Integrated Development Plan

The Constitution of the Republic of South Africa (1996) commits Government to undertake the measures that will ensure that all South Africans have access to adequate housing, health care, education, food, water and social security.

Local Government has as duty to ensure that the abovementioned is achieved through the implementation of development policies and legislation that supports the developmental goals of South Africa

Integrated developmental planning in the South African context is amongst other an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development.

Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

In 2000 the Municipal Systems Act 32 of 2000 (MSA) came into operation. According to Section 25(1) of the Act each municipal council must, after the start of its elected term, adopt a single, inclusive, and strategic plan for the development of the municipality which

- Links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- Aligns the resources and capacity of the municipality with the implementation of the plan
- Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation

5. The five- Year strategic objective Integrated Development Plan

This document comprises the five-year strategic plan and programme of action for the Mutale Municipality embarked on strategic and developmental processes to ensure that it fulfills its mandate and obligations as per the Constitution of South Africa, to

- Provide services in a sustainable manner
- Promote social and economic development
- Promote a safe and healthy environment
- Give priority to the basic needs of communities; and
- Encourage the involvement of communities in the matters of local government

6. Aligning budget priorities

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Mutale Municipality to align its budget priorities with that of National and provincial government. It is evident that all spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery and poverty alleviation and building sound institutional arrangements

NATIONAL PRIORITIES

- Efficient and effective public services
- Job creation
- Procurement reforms and fighting corruption

LIM342 Mutale - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Elms 12 Metals - Supporting Table 5A: Reconciliation of IDP Strategic Objectives and Budget (Revenue)												
Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand												
Financial viability	Good Financial Management		2	1,194	945	4,647	4,258	3,887	3,887	47,926	12,609	12,691
Basic Service delivery	Infrastructure & development			743	6,488	4,170	6,087	424	424	12,846	1,924	1,717
Safety and security	Community services			2,590	2,820	2,469	3,511	4,541	4,541	4,687	5,458	6,004
Operation and support services	Good governance			39,134	56,272	56,419	63,291	60,928	60,928	598	313	344
Allocations to other priorities												
Total Revenue (excluding capital transfers and contributions)			1	43,660	66,526	67,705	77,146	69,780	69,780	66,057	20,305	20,756

LIM342 Mutale - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Financial viability	Good financial management	27,035	9,654	14,312	16,387	14,034	14,034	16,289	16,302	17,535
Basic service delivery	Provision of electricity,water,sanitation,waste removal,roads and maintainance	24,218	16,794	27,772	27,357	22,886	22,886	14,449	14,749	15,786
Plaqqning and development	Site demacation,sale of sites and business approvals	1,465	–	922	1,564	1,362	1,362	1,704	1,823	1,951
Saftey and security	To reduce accident, to ensure the issuing of authentic and legal complaint driving licence,to ensure roads saftey	5,044	3,866	4,433	4,601	5,264	5,264	5,264	5,600	5,955
Intergrated and Local economic	Promotion of Local economicfdevelopment	3,035	3,524	3,355	5,822	5,143	5,143	6,331	6,726	7,154
Good governance	community envolvemment infomulation of by-laws,training ward committee and Councillors,respond to AG report.	9,563	13,906	12,982	9,789	11,288	11,288	19,605	20,682	21,978
Allocations to other priorities										
Total Expenditure		70,361	47,744	63,775	65,520	59,976	59,976	63,642	65,883	70,358

LIM342 Mutale - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Provision of electricity	Infrastructure & Development	A	1,509	9,350	5,000	3,000	8,203	3,000	-	-	-
Provie accesible roads	Provision of roads and storm warter, and proper maintenance of the infrastructure	B	8,017	13,579	10,475	14,615	14,820	14,820	16,848	17,733	20,716
Compliance to roads safety, safe health and secure enviroment	Community services	C	17	1,450	150	-	-	-	400	1,800	-
Operations and support services	Good governance and Administration	D	302	-	160	607	1,166	1,166	1,295	880	830
		E									
Allocations to other priorities											
Total Capital Expenditure			9,845	24,379	15,785	18,223	24,189	18,986	18,543	20,413	21,546

5.2 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities.

In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance

Information, the municipality has developed and implemented a performance management system is constantly refined as the integrated planning

process unfolds. The Municipality targets, monitors, assess, and reviews organizational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple year is being considered; plans and budget for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during *the last stage*, the performance information process begins when policies are being developed, and continues through each of the planning, budget, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

Planning, budgeting and reporting cycle

The performance of Mutale municipality relates directly to the extent to which it has achieved success in realizing its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators and success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the

Framework of Managing Programme Performance Information issued by the National Treasury:

2.3.1. Performance indicators and benchmarks

2.3.1.1. Borrowing Management

Capital expenditure in local government can be funded by capital grants, own- source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its credit worthiness and financial position. The following financial performance indicators have formed part of the compilation of the 2012/2013 MTREF:

- Borrowing to asset ratio is a measure of long-term borrowing as a percentage of total asset base of municipal.

- Borrowing funding of own expenditure measure the degree to which own capital expenditure (excluding grants and contribution) has been founded by way of borrowing.

2.3.1.2 Safety of Capital

- The debt-to-equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipal's assets.
- The gearing ratio is a measure of total long term borrowing over funds and reserves.

2.3.1.3 Liquidity

- Current ratio is a measure of the current assets divided by the current liabilities
- The liquidity ratio is a measure of ability of municipal to utilized cash and cash equivalent to extinguish or retire its current liabilities immediately.

2.3.1.4 Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash flow.

2.3.2 Free Basic Services: basic social services package for indigent household

- The social package assists households that have difficulty paying for service and registered as indigent household in terms of the Indigent Policy of Mutale municipality.

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Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))									
Creditors to Cash and Investments		16.3%	22.5%	1.4%	-13.6%	5.2%	5.2%	-10.9%	-15.5%	-27.6%
Other Indicators										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated							0.0%	0.0%	0.0%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source							0.0%	0.0%	0.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	53.2%	62.9%	66.5%	55.3%	51.3%	51.3%	45.9%	46.4%	46.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	81.6%	67.2%	98.3%	63.0%	65.6%	65.6%	56.3%	57.0%	57.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	17.4%	33.0%	9.6%	10.4%	10.4%	10.6%	9.9%	10.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	6.2%	5.2%	5.9%	4.2%	4.4%	4.4%	5.4%	5.0%	5.5%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	13.1	8.1	68.7	39.7	39.7	39.7	8.1	8.0	8.4
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	3.3%	446.2%	169.9%	187.5%	337.8%	337.8%	183.4%	194.1%	207.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	23.9	31.1	28.4	(2.5)	7.8	7.7	(5.8)	(10.9)	(7.4)

5.3 Overview of budget-related policies

Review of supply chain management policy

The Supply Chain Management Policy has been reviewed and approved on 31 May 2012.

The approved budget related policies are as follows:

○ Supply Chain Management Policy	Annexure D1
○ Cash Management Policy	Annexure D2
○ Fixed Asset Policy	Annexure D3
○ Revenue management Policy	Annexure D4
○ Property Rates Policy	Annexure D5
○ Risk management policy	Annexure D6
○ Tariff policy	Annexure D7
○ Indigent policy	Annexure D8
○ Virement policy	Annexure D9
○ Budget policy	Annexure D10
○ Borrowing policy	Annexure D11
○ Funding and Reserve policy	Annexure D12
○ Capital Infrastructure Investment policy	Annexure D13

5.4 Overview of budget assumptions

The growth rate used for the medium term budget and tariff increase is 5.4%

1. External factors

Domestically, after five years of strong growth, during which about five hundred jobs were created, we still intend to create five hundred more jobs.

2. General inflation outlook and its impact on municipal activities

There are 5 keys factors that have been taken into consideration in the compilation of the 2012/13 MTREF

- National Government macro economic targets;
- General inflation outlook and the impact on city's residents and business
- The impact of municipal cost drivers
- The increase in prices for bulk electricity and water
- The increase in the cost of remuneration

3. Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can be only be utilized to fund capital or refinancing of borrowing in certain conditions.

4. Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over long term

5. Growth or decline in tax base of the municipality

Debtors' revenue is assumed to increase slightly as the municipality is most composed by indigent customers. (There is no consumer revenue derived from poor households.

6. Salary increase

Collective agreement regarding salaries/wages has not yet been signed, and has been provided at a rate of 7% for the coming three years

7. Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focused service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and

- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs.

8. Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 60 per cent is achieved on operating expenditure and 60 per cent on the capital programme for the 2012/13 MTREF of which performance has been factored into the cash flow budget.

5.5 Overview of budget funding

The budget is funded by the following sources:

- Rates, tariffs and other charges
- Grant allocations

The table below illustrates the breakdown of operating revenue over the medium-term:

	2012/13 Medium Term Revenue & Expenditure Framework					
	Budget Year		Budget Year +1		Budget Year +2	
	2012/2013	%	2013/2014	%	2014/2015	%
-						
Property rates	2,454,662	4%	2,454,662	4%	2,454,662	3%
Service charges	971,055	1%	1,068,160	2%	1,174,976	2%
Investment revenue	203,500	0%	223,850	0%	246,235	0%
Transfers recognized-operational	56,031,103	85%	58,825,653	85%	63,052,403	85%
Other own revenue	6,396,629	10%	6,710,194	10%	6,980,615	9%
Total operating revenue	66,056,949	100%	69,282,519	100%	73,908,891	100%
(excluding capital transfers)						
Total operating expenditure	63,641,949		65,882,519		70,358,348	
Surplus/Deficit	2,415,000		3,400,000		3,550,543	

District Municipality:		18,229	23,180	19,389	22,923	20,028	20,028	8,952	8,952	8,952
<i>[operation and maintaince)</i>		18,229	23,180	19,389	22,923	20,028	20,028	8,952	8,952	8,952
Other grant providers:		-	310	-	-	532	532	38	-	-
LED		-	310	-	-	432	432	-	-	
LGSETA		-	-	-	-	100	100	38	-	
Total Operating Transfers and Grants	5	37,787	54,949	51,114	63,291	60,928	60,928	56,031	58,826	63,052
<u>Capital Transfers and Grants</u>										
National Government:		11,538	10,046	11,056	13,295	23,161	23,161	16,128	17,013	17,996
Municipal Infrastructure Grant (MIG)		11,538	10,046	11,056	13,295	23,161	23,161	16,128	17,013	17,996
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	3,000	3,000	-	-	-
Other capital transfers/grants [DME]						3,000	3,000			
District Municipality:		-	-	2,000	-	-	-	-	-	-
<i>[operation and maintaince)</i>		-	-	2,000	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
LED										
Total Capital Transfers and Grants	5	11,538	10,046	13,056	13,295	26,161	26,161	16,128	17,013	17,996
TOTAL RECEIPTS OF TRANSFERS & GRANTS		49,325	64,995	64,170	76,586	87,088	87,088	72,159	75,838	81,048

5.6 Expenditure on grant allocations and grant programmes

LIM342 Mutale - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
EXPENDITURE:	1									
- <u>Operating expenditure of Transfers and Grants</u>										
National Government:		20,024	25,981	31,725	40,368	40,368	40,368	47,041	49,873	54,100
Local Government Equitable Share		18,323	24,577	29,975	37,628	37,628	37,628	42,892	46,578	50,453
Finance Management		745	1,000	1,000	1,250	1,250	1,250	1,500	1,500	1,750
Municipal Systems Improvement		956	405	750	790	790	790	800	900	950
EPWP Incentive		-	-	-	-	-	-	1,000	-	-
Other transfers/grants [MIG Operational]		-	-	-	700	700	700	849	895	947
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		18,229	23,180	19,389	22,923	20,028	20,028	8,952	8,952	8,952
<i>[operation and maintaince]</i>		18,229	23,180	19,389	22,923	20,028	20,028	8,952	8,952	8,952
Other grant providers:		-	-	410	-	532	532	38	-	-

<i>LED</i>		-	-	410		432	432	-	-	-
<i>LGSETA</i>						100	100	38	-	-
Total operating expenditure of Transfers and Grants:		38,253	49,161	51,524	63,291	60,928	60,928	56,031	58,826	63,052
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		21,726	5,148	11,056	13,295	23,161	23,161	16,128	17,013	17,996
Municipal Infrastructure Grant (MIG)		21,726	5,148	11,056	13,295	23,161	23,161	16,128	17,013	17,996
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	3,000	3,000	-	-	-
Other capital transfers/grants [DME]						3,000	3,000	-	-	-
District Municipality:		-	-	2,000	-	-	-	-	-	-
[operation and maintaince]		-	-	2,000	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>LED</i>										
Total capital expenditure of Transfers and Grants		21,726	5,148	13,056	13,295	26,161	26,161	16,128	17,013	17,996
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		59,979	54,309	64,580	76,586	87,088	87,088	72,159	75,838	81,048

LIM342 Mutale - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

[illegible]

5.7 Councilor and board member allowances and employee benefits

LIM342 Mutale - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
-	1	A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		2,651	5,198	3,189	3,826	3,951	3,951	4,149	4,439	4,750
Pension and UIF Contributions		398	479	563	574	697	697	697	746	798
Medical Aid Contributions				-	-	-	-	-	-	-
Motor Vehicle Allowance		1,376	1,365	11,897	1,351	1,549	1,549	1,549	1,549	1,549
Cellphone Allowance			-	267	311	334	334	334	334	334
Housing Allowances			-	-	-	-	-	-	-	-
Other benefits and allowances		33	38	56	148	150	150	152	294	446
Sub Total - Councillors		4,458	7,080	15,972	6,211	6,681	6,681	6,881	7,362	7,878
% increase	4		58.8%	125.6%	(61.1%)	7.6%	-	3.0%	7.0%	7.0%
<u>Senior Managers of the Municipality</u>	2									
Basic Salaries and Wages		1,160	133	1,473	1,599	1,644	1,644	1,759	1,882	2,013
Pension and UIF Contributions		-	298	324	352	362	362	393	421	450
Medical Aid Contributions		-	70	-	-	-	-	-	-	-
Overtime										
Performance Bonus		-	-	-	-	-	-	145	155	166
Motor Vehicle Allowance	3	553	-	589	639	728	728	728	778	833
Cellphone Allowance	3	-	-	58	58	58	58	58	62	66
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	261	-	181	48	40	40	35	38	40

Payments in lieu of leave	6									
Long service awards										
Post-retirement benefit obligations										
Sub Total - Senior Managers of Municipality		1,974	501	2,625	2,696	2,830	2,830	3,118	3,336	3,569
% increase	4		(74.6%)	424.3%	2.7%	5.0%	-	10.2%	7.0%	7.0%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		26,352	24,039	25,827	32,255	28,754	28,754	18,807	20,124	21,532
Pension and UIF Contributions		4,600	5,367	3,932	5,218	4,602	4,602	3,596	3,847	4,117
Medical Aid Contributions		-	1,975	290	398	411	411	289	309	331
Overtime		2	439	701	455	482	482	382	409	438
Performance Bonus		99	258	-	-	-	-	855	873	920
Motor Vehicle Allowance	3	-	-	958	1,872	1,636	1,636	1,810	1,937	2,073
Cellphone Allowance	3	-	-	83	98	97	97	108	116	124
Housing Allowances	3	356	811	1,227	149	1,270	1,270	45	48	52
Other benefits and allowances	3	-	606	1,308	1,349	1,244	1,244	793	849	908
Payments in lieu of leave								200	214	229
Long service awards								300	100	50
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		31,410	33,495	34,326	41,795	38,497	38,497	27,186	28,826	30,772
% increase	4		6.6%	2.5%	21.8%	(7.9%)	-	(29.4%)	6.0%	6.8%
Total Parent Municipality		37,843	41,075	52,923	50,702	48,008	48,008	37,184	39,524	42,220
			8.5%	28.8%	(4.2%)	(5.3%)	-	(22.5%)	6.3%	6.8%

[illegible]

LIM342 Mutale - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2010/11			Current Year 2011/12			Budget Year 2012/13		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		22		22	26		26	26		26
Board Members of municipal entities	4				-			-		
Municipal employees	5				-			-		
Municipal Manager and Senior Managers	3	4		4	4	-	4	4		4
Other Managers	7		5		8	8		8	8	
Professionals		-	1	-	116	116	-	116	116	-
<i>Finance</i>			1	-	26	26		26	26	
<i>Spatial/town planning</i>					8	8		8	8	
<i>Information Technology</i>		-	-		1	1		1	1	
<i>Roads</i>					9	9		9	9	
<i>Electricity</i>					3	3		3	3	
<i>Water</i>					17	17		17	17	
<i>Sanitation</i>					3	3		3	3	
<i>Refuse</i>					5	5		5	5	
<i>Other</i>					44	44		44	44	
Technicians		43	43	-	-	-	-	-	-	-
<i>Finance</i>					-					
<i>Spatial/town planning</i>		7	7	-	-					
<i>Information Technology</i>					-					
<i>Roads</i>					-					
<i>Electricity</i>					-					
<i>Water</i>					-					
<i>Sanitation</i>										
<i>Refuse</i>			-							
<i>Other</i>		36	36							
Clerks (Clerical and administrative)										
Service and sales workers			14							

Skilled agricultural and fishery workers		14								
Craft and related trades										
Plant and Machine Operators		65	40	25						
Elementary Occupations		188	188							
TOTAL PERSONNEL NUMBERS		336	291	51	154	124	30	154	124	30
% increase					(54.2%)	(57.4%)	(41.2%)	-	-	-
Total municipal employees headcount	6									
Finance personnel headcount	8									
Human Resources personnel headcount	8									

5.8 Monthly targets for revenue, expenditure and cash flow

LIM342 Mutale - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand																
<u>Revenue By Source</u>	-															
Property rates		205	205	205	205	205	205	205	205	205	205	205	205	2,455	2,455	2,455
Service charges - refuse revenue		60	59	59	59	59	59	59	59	59	59	59	64	713	784	863
Service charges - other													-	-	-	-
Rental of facilities and equipment		21	21	21	21	21	21	21	21	21	21	21	21	258	284	312
Interest earned - external investments		7	7	7	7	7	7	7	7	7	7	7	7	83	91	100
Interest earned - outstanding debtors		10	10	10	10	10	10	10	10	10	10	10	10	121	133	146

Dividends received												-	-	-	-
Fines	23	23	23	23	23	23	23	23	23	23	23	23	275	303	333
Licences and permits	369	369	369	369	369	369	369	369	369	369	369	369	4,429	4,872	5,359
Agency services												-	-	-	-
Transfers recognised - operational	17,074	-	3,013	-	13,013	-	3,910	6,003	10,013	3,003	-	0	56,031	58,826	63,052
Other revenue	217	117	217	117	117	117	117	217	117	117	117	102	1,693	1,536	1,289
Gains on disposal of PPE												-	-	-	-
Total Revenue (excluding capital transfers and contributions)	17,986	811	3,925	811	13,825	811	4,722	6,915	10,825	3,815	811	801	66,057	69,283	73,909
Expenditure By Type															
Employee related costs	2,735	2,525	2,508	2,515	2,509	2,535	2,520	2,529	2,518	2,510	2,500	2,396	30,303	32,161	34,342
Remuneration of councillors	545	545	545	545	545	545	545	774	573	573	573	573	6,881	7,362	7,877
Debt impairment	10	10	10	10	10	10	10	10	10	10	10	10	116	122	128
Depreciation & asset impairment	270	270	270	270	270	270	270	270	270	270	270	270	3,240	3,123	3,670
Finance charges	28	28	28	28	28	28	28	28	28	28	28	28	337	355	374
Bulk purchases												-	-	-	-
Other materials												-	-	-	-
Contracted services	213	213	213	213	213	213	213	213	213	213	213	213	2,560	2,418	2,688
Transfers and grants												-	-	-	-
Other expenditure	1,684	1,684	1,684	1,684	1,684	1,684	1,684	1,684	1,684	1,684	1,684	1,684	20,206	20,341	21,280
Loss on disposal of PPE												-	-	-	-
Total Expenditure	5,485	5,275	5,258	5,265	5,259	5,285	5,270	5,508	5,296	5,288	5,278	5,174	63,642	65,883	70,358
Surplus/(Deficit)	12,501	(4,464)	(1,333)	(4,454)	8,566	(4,474)	(548)	1,406	5,528	(1,474)	(4,467)	(4,374)	2,415	3,400	3,551

Transfers recognised - capital		2,346			3,346			4,346			3,346		2,744	16,128	17,013	17,996
Contributions recognised - capital													-	-	-	-
Contributed assets													-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		14,848	(4,464)	(1,333)	(1,107)	8,566	(4,474)	3,798	1,406	5,528	1,872	(4,467)	(1,630)	18,543	20,413	21,546
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	14,848	(4,464)	(1,333)	(1,107)	8,566	(4,474)	3,798	1,406	5,528	1,872	(4,467)	(1,630)	18,543	20,413	21,546

LIM342 Mutale - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description R thousand	Re f	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	Oct	Nov	DeC	January	Feb	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote	-															
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal manager's office		10	10	10	10	10	10	10	10	10	10	10	10	123	135	149
Vote 3 - Budget and treasury office		17,296	804	804	904	12,235	904	904	904	10,513	904	904	851	47,926	51,739	55,945
Vote 4 - Infrastructure Development		3,415	159	159	4,415	4,415	159	2,415	2,415	4,415	2,415	2,415	2,181	28,975	28,785	29,612
Vote 5 - Corporate Services		430	430	430	430	430	430	430	430	430	430	430	430	5,162	5,636	6,199

Total Revenue by Vote		21,151	1,403	1,403	5,759	17,090	1,503	3,759	3,759	15,368	3,759	3,759	3,473	82,185	86,295	91,905
<u>Expenditure by Vote to be appropriated</u>	-															
Vote 1 - Executive and council		658	658	658	658	658	658	658	936	693	693	693	693	8,317	8,874	9,464
Vote 2 - Municipal manager's office		528	528	528	528	528	528	528	528	528	528	528	528	6,331	6,726	7,154
Vote 3 - Budget and treasury office		1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	16,289	16,302	17,535
Vote 4 - Infrastructure Development		2,346	346	346	3,346	346	1,346	4,346	346	346	1,346	246	1,446	16,153	16,572	17,737
Vote 5 - Corporate Services		1,589	1,379	1,364	1,384	1,362	1,382	1,387	1,371	1,383	1,373	1,349	1,225	16,551	17,408	18,469
Total Expenditure by Vote		6,479	4,269	4,254	7,274	4,252	5,272	8,277	4,538	4,307	5,297	4,173	5,249	63,642	65,883	70,358
Surplus/(Deficit) before assoc.		14,672	(2,866)	(2,851)	(1,515)	12,838	(3,769)	(4,518)	(779)	11,061	(1,539)	(415)	(1,776)	18,543	20,413	21,546
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	14,672	(2,866)	(2,851)	(1,515)	12,838	(3,769)	(4,518)	(779)	11,061	(1,539)	(415)	(1,776)	18,543	20,413	21,546

LIM342 Mutale - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description R thousand	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov	Dec	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard	-															
<i>Governance and administration</i>		16,018	999	999	999	13,018	999	999	999	10,018	999	999	941	47,987	51,765	55,973
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		16,013	994	994	994	13,013	994	994	994	10,013	994	994	935	47,926	51,739	55,945
Corporate services		5	5	5	5	5	5	5	5	5	5	5	5	62	26	29
<i>Community and public safety</i>		55	55	55	55	55	55	55	55	55	55	55	55	656	722	793
Community and social services		32	32	32	32	32	32	32	32	32	32	32	32	381	419	460
Sport and recreation													-	-	-	-
Public safety		23	23	23	23	23	23	23	23	23	23	23	23	275	303	333
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		2,458	112	1,896	3,458	1,896	1,896	4,458	896	896	3,458	112	2,214	23,751	23,934	25,171
Planning and development		112	112	112	112	112	112	112	112	112	112	112	112	1,345	1,154	870
Road transport		2,346	-	1,784	3,346	1,784	1,784	4,346	784	784	3,346	-	2,102	22,406	22,780	24,302
Environmental protection													-	-	-	-
<i>Trading services</i>		806	806	806	806	806	806	806	806	806	806	806	806	9,668	9,739	9,818
Electricity													-	-	-	-
Water		746	746	746	746	746	746	746	746	746	746	746	746	8,952	8,952	8,952
Waste water management													-	-	-	-
Waste management		60	60	60	60	60	60	60	60	60	60	60	60	715	787	866
<i>Other</i>		10	10	10	10	10	10	10	10	10	10	10	10	123	135	149

Total Revenue - Standard	19,347	1,982	3,765	5,328	15,785	3,765	6,328	2,765	11,785	5,328	1,982	4,026	82,185	86,295	91,905
		2,125	3,909	5,472	15,929	3,909	6,472	2,909	11,929	5,472	2,125				
Expenditure - Standard															
<i>Governance and administration</i>	3,632	3,422	3,412	3,405	3,407	3,416	3,417	3,891	3,453	3,463	3,428	3,451	41,802	43,258	46,184
Executive and council	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,648	1,221	1,221	1,221	1,221	14,648	15,600	16,618
Budget and treasury office	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	16,289	16,302	17,535
Corporate services	1,115	905	895	888	890	899	900	885	875	885	850	873	10,864	11,356	12,032
<i>Community and public safety</i>	36	36	36	36	36	36	36	36	36	36	36	36	428	457	488
Community and social services												-	-	-	-
Sport and recreation	35	35	35	35	35	35	35	35	35	35	35	35	423	452	483
Public safety	0	0	0	0	0	0	0	0	0	0	0	0	5	5	6
Housing												-	-	-	-
Health												-	-	-	-
<i>Economic and environmental services</i>	1,496	1,496	1,496	1,496	1,496	1,496	1,496	1,496	1,496	1,496	1,496	1,496	17,951	18,508	19,827
Planning and development	142	142	142	142	142	142	142	142	142	142	142	142	1,704	1,823	1,951
Road transport	1,354	1,354	1,354	1,354	1,354	1,354	1,354	1,354	1,354	1,354	1,354	1,354	16,247	16,684	17,876
Environmental protection												-	-	-	-
<i>Trading services</i>	288	288	288	288	288	288	288	288	288	288	288	288	3,461	3,659	3,859
Electricity	95	95	95	95	95	95	95	95	95	95	95	95	1,144	1,205	1,264
Water	35	35	35	35	35	35	35	35	35	35	35	35	422	444	466
Waste water management												-	-	-	-
Waste management	158	158	158	158	158	158	158	158	158	158	158	158	1,895	2,011	2,129
<i>Other</i>												-	-	-	-
Total Expenditure - Standard	5,452	5,242	5,232	5,225	5,227	5,236	5,237	5,711	5,273	5,283	5,248	5,271	63,642	65,883	70,358

Surplus/(Deficit) before assoc.		13,895	(3,261)	(1,467)	102	10,557	(1,471)	1,090	(2,945)	6,511	44	(3,267)	(1,246)	18,543	20,413	21,546
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	13,895	(3,261)	(1,467)	102	10,557	(1,471)	1,090	(2,945)	6,511	44	(3,267)	(1,246)	18,543	20,413	21,546

LIM342 Mutale - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description R thousand	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Multi-year expenditure to be appropriated</u>	1															
Vote 1 - Executive and council		15	15	15	15	15	15	15	15	15	15	15	15	180	180	180
Vote 2 - Municipal manager's office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development			2,404		1,404	1,404	3,404	-	1,404	3,404	1,404	1,404	616	16,848	17,733	18,716
Vote 5 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	15	2,419	15	1,419	1,419	3,419	15	1,419	3,419	1,419	1,419	631	17,028	17,913	18,896
<u>Single-year expenditure to be appropriated</u>																
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal manager's office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and treasury office		-	250	-	50	-	-	50	115	-	-	-	-	465	50	50

Vote 4 - Infrastructure Development		-	150	-	-	200	-	-	150	-	-	-	-	500	2,300	2,500
Vote 5 - Corporate Services		50	200	-	-	300	-	-	-	-	-	-	-	550	150	100
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	50	600	-	50	500	-	50	265	-	-	-	-	1,515	2,500	2,650
Total Capital Expenditure	2	65	3,019	15	1,469	1,919	3,419	65	1,684	3,419	1,419	1,419	631	18,543	20,413	21,546

LIM342 Mutale - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description R thousand	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		15	315	15	65	115	15	65	130	15	15	15	15	795	380	330
Executive and council		15	15	15	15	15	15	15	15	15	15	15	15	180	180	180
Budget and treasury office		-	250	-	50	-	-	50	115				-	465	50	50
Corporate services		-	50	-	-	100	-	-	-	-	-	-	-	150	150	100
<i>Community and public safety</i>		-	200	-	-	200	-	-	-	-	-	-	-	400	-	-
Community and social services			200			200							-	400	-	-
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		-	2,404	-	1,404	1,404	3,404	-	1,404	3,404	1,404	1,404	616	16,848	17,733	20,716
Planning and development													-	-	-	-
Road transport			2,404		1,404	1,404	3,404	-	1,404	3,404	1,404	1,404	616	16,848	17,733	20,716
Environmental protection													-	-	-	-

<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	1,800	-
Electricity															-	-
Water															-	-
Waste water management															-	-
Waste management															1,800	-
<i>Other</i>		-	150	-	-	200	-	-	150	-	-	-	-	500	500	500
Total Capital Expenditure - Standard	2	15	3,069	15	1,469	1,919	3,419	65	1,684	3,419	1,419	1,419	631	18,543	20,413	21,546

LIM342 Mutale - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Cash Receipts By Source</u>														1		
Property rates	123	123	123	123	123	123	123	123	123	123	123	123	123	1,473	1,473	1,473
Service charges - refuse revenue	48	48	48	48	48	48	48	48	48	48	48	48	48	571	628	690
Service charges - other													-			
Rental of facilities and equipment	17	17	17	17	17	17	17	17	17	17	17	17	17	206	227	250
Interest earned - external investments	4	4	4	4	4	4	4	4	4	4	4	4	4	50	54	60
Interest earned - outstanding debtors	6	6	6	6	6	6	6	6	6	6	6	6	6	73	80	88
Dividends received													-			
Fines	23	23	23	23	23	23	23	23	23	23	23	23	23	275	303	333
Licences and permits	369	369	369	369	369	369	369	369	369	369	369	369	369	4,429	4,872	5,359
Agency services													-			

Transfer receipts - operational	17,074	-	3,013	-	13,013	-	3,910	6,003	10,013	3,003	-	0	56,031	58,826	63,052
Other revenue	141	141	141	141	141	141	141	141	141	141	141	141	1,693	1,536	1,289
Cash Receipts by Source	17,805	731	3,744	731	13,744	731	4,641	6,734	10,744	3,734	731	731	64,799	67,997	72,594
Other Cash Flows by Source															
Transfer receipts - capital	2,346			3,346			4,346			3,346		2,744	16,128	17,013	17,996
Contributions recognised - capital & Contributed assets												-			
Proceeds on disposal of PPE												-			
Short term loans												-			
Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits	1	1	1	1	1	1	1	1	1	1	1	12	13	13	13
Decrease (Increase) in non-current debtors												-			
Decrease (increase) other non-current receivables												-			
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	20,151	731	3,744	4,077	13,744	731	8,987	6,734	10,744	7,080	731	3,475	80,928	85,010	90,589
<u>Cash Payments by Type</u>															
Employee related costs	2,735	2,525	2,508	2,515	2,509	2,535	2,520	2,529	2,518	2,510	2,500	2,396	30,303	32,161	34,342
Remuneration of councillors	545	545	545	545	545	545	545	774	573	573	573	573	6,881	7,362	7,877
Finance charges	28	28	28	28	28	28	28	28	28	28	28	28	337	355	374
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	213	213	213	213	213	213	213	213	213	213	213	213	2,560	2,418	2,688
Transfers and grants - other municipalities												-			

Transfers and grants - other												-			
Other expenditure	1,684	1,684	1,684	1,684	1,684	1,684	1,684	1,684	1,684	1,684	1,684	1,684	20,206	20,341	21,280
Cash Payments by Type	5,205	4,995	4,978	4,985	4,979	5,005	4,990	5,229	5,017	5,009	4,999	4,895	60,286	62,638	66,560
Other Cash Flows/Payments by Type															
Capital assets	2,000	639	2,950	500	2,100	200	-	1,500	1,500	1,800	-	2,939	16,128	17,013	17,996
Repayment of borrowing	81	81	81	81	81	81	81	81	81	81	81	81	977	1,014	1,054
Other Cash Flows/Payments												-			
Total Cash Payments by Type	7,287	5,715	8,010	5,567	7,161	5,287	5,072	6,810	6,598	6,890	5,080	7,916	77,392	80,664	85,609
NET INCREASE/(DECREASE) IN CASH HELD	12,864	(4,985)	(4,266)	(1,490)	6,583	(4,556)	3,915	(76)	4,146	190	(4,350)	(4,441)	3,536	4,346	4,980
Cash/cash equivalents at the month/year begin:		12,864	7,880	3,614	2,124	8,708	4,152	8,067	7,991	12,137	12,327	7,977	-	3,536	7,882
Cash/cash equivalents at the month/year end:	12,864	7,880	3,614	2,124	8,708	4,152	8,067	7,991	12,137	12,327	7,977	3,536	3,536	7,882	12,862

5.9 Annual budgets and service delivery and budget implementation plans-internal departments

BASIC SERVICE DELIVERY.

Key performance areas	Objectives	Performance measure	Projects	Project activities	Baseline	Annual performance target	Quarterly targets	Budget	Department	Key performance areas	Weight %
Basic Service	Ensure that 651 households have access to	Number of people in	All water projects		hh receiving	651hh	Stages of	Stages of	Stages of	Stages of	Stages of

Delivery	clean potable water at RDP levels by 2013	receiving portable water			water		projects	projec ts	projects	projects	projects
	extension of free basic water to 400 indigents households by 2013	Number of indigents receiving water	Configuration of hh to system	Identification of beneficiaries Capturing Installation of meters		400hh					
	Ensure that 2000 households have access to sanitation that complies with at least minimum RDP standards requirements by 2013	Number of hh with basic sanitation	Sanitation	Identification Planning		2000					
	To increase FBE beneficiaries by 400 by 2013.	Number of additional beneficiaries	FBE enhancement	Identification Eskom consultation							
	Ensure that 1276 households are electrified by 2013		Village electrification on each village								
	To construct,5km side drainage structures by 2013	Number of side drainage structure	Construction side drainage	Construction Request of volunteers		5km constructed	1km	2km	1km	1km	
	To construct 10 bridges/culverts by 2011	Number of bridges/culverts constructed									
	Development of a road master plan by 2013	Approved master plan	Road master plan	Workshop Public participation Approval	None	An approved road master plan	1 st worksh op ward Cllrs	Com munit y meeti ngs	Draft plan	Approv al	
	To ensure coordination of fencing provincial roads	Number of streets and villages numbered and named	Streets numbering	Identification Mapping Consultation	None	11 villages					

5.10 Contracts having future budgetary implications

In terms of Mutale municipalitys Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

LIM342 Mutale - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2012/13 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Present value
<u>Capital expenditure</u>	1							
Vote 1 - Executive and council		180	180	180	180	180	180	
Vote 2 - Municipal manager's office		-	-	-	-	-	-	
Vote 3 - Budget and treasury office		465	50	50	-	-	-	
Vote 4 - Infrastructure Development		17,348	20,033	21,216				
Vote 5 - Corporate Services		550	150	100	-	-	-	
Vote 6 - [NAME OF VOTE 6]		-	-	-				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		18,543	20,413	21,546	180	180	180	-
<u>Future operational costs by vote</u>	2							
Vote 1 - Executive and council		-	-	-				
Vote 2 - Municipal manager's office		-	-	-				

Vote 3 - Budget and treasury office		993	1,046	1,097	1,152	1,209	1,270	
Vote 4 - Infrastructure Development		5,654	5,454	5,922	6,218	6,529	6,855	
Vote 5 - Corporate Services		366	385	404	–	–	–	
Vote 6 - [NAME OF VOTE 6]								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
Total future operational costs		7,013	6,886	7,423	7,370	7,738	8,125	–
<u>Future revenue by source</u>	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue			78	86	91	95	100	
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		–	78	86	91	95	100	–
Net Financial Implications		25,556	27,220	28,883	7,459	7,823	8,205	–

5.11 Capital expenditure details

The following three tables present details of the municipality capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

LIM342 Mutale - Supporting Table SA34a Capital expenditure on new assets by asset class

[illegible]

Waste Management								-	1,500	-
Transportation	2									
Gas										
Other	3									
Community		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	181	1,327	1,166	1,166	1,500	1,300	3,000
General vehicles		-	-	150		75	75	580	180	180
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment				720	-	-	-	720	1,020	2,720

Computers - hardware/equipment				116	616	616				
Furniture and other office equipment	-	-	31	341	350	350	200	100	100	
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings					25	25				
Other Land										
Surplus Assets - (Investment or Inventory)										
Other	-	-	-	150	100	100				
<u>Agricultural assets</u>	-	-	-	-	-	-	-	-	-	
<i>List sub-class</i>										
<u>Biological assets</u>	-	-	-	-	-	-	-	-	-	
<i>List sub-class</i>										
<u>Intangibles</u>	-	-	-	-	-	-	-	-	-	
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Capital Expenditure on new assets	1	-	-	21,132	15,623	17,064	17,064	1,500	2,800	3,000

LIM342 Mutale - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>										
- <u>Infrastructure</u>								16,128	17,013	17,996

<u>Biological assets</u> <i>List sub-class</i>										
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<u>Intangibles</u> Computers - software & programming Other <i>(list sub-class)</i>										
Total Capital Expenditure on renewal of existing assets	1	11,704	-	17,087	2,600	9,397	9,397	17,043	17,613	18,546
<u>Specialised vehicles</u> Refuse Fire Conservancy Ambulances		-	-	-	-	-	-	-	-	-
<i>Renewal of Existing Assets as % of total capex</i> <i>Renewal of Existing Assets as % of deprecn"</i>		100.0%	0.0%	44.7%	14.3%	35.5%	35.5%	91.9%	86.3%	86.1%
		485.8%	0.0%	641.2%	84.6%	305.7%	305.7%	526.1%	564.0%	505.3%

LIM342 Mutale - Supporting Table SA34c Repairs and maintenance expenditure by asset class

[illegible]

[illegible]

Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Repairs and Maintenance Expenditure	1	5	10,662	17,786	7,733	7,647	7,647	7,013	6,886	7,423

Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										
R&M as a % of PPE		0.0%	20.9%	32.6%	9.9%	8.1%	8.1%	6.3%	5.3%	4.9%
R&M as % Operating Expenditure		0.0%	23.3%	26.2%	9.8%	11.7%	11.7%	11.0%	10.5%	10.6%

LIM342 Mutale - Supporting Table SA34d Depreciation by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Depreciation by Asset Class/Sub-class										
- Infrastructure		1,170	103	321	557	557	557	624	657	689
Infrastructure - Road transport		321	-	203	257	257	257	271	286	300
<i>Roads, Pavements & Bridges</i>		321	-	203	257	257	257	271	286	300
<i>Storm water</i>										
Infrastructure - Electricity		687	103	117	242	242	242	291	307	322
<i>Generation</i>		687	103	117	242	242	242			
<i>Transmission & Reticulation</i>								291	307	322
<i>Street Lighting</i>										
Infrastructure - Water		130	-	-	57	57	57	60	63	66
<i>Dams & Reservoirs</i>		-	-	-						

[illegible]

<u>Other assets</u>		757	447	440	298	298	298	403	424	445
General vehicles	10	275	145	147	151	151	151	160	168	176
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		136	51	54	46	46	46	48	51	53
Computers - hardware/equipment		266	197	185	84	84	84	88	93	98
Furniture and other office equipment		81	54	54	17	17	17	107	112	118
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Depreciation	1	1,990	834	1,165	1,139	1,139	1,139	1,351	1,423	1,492

5.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipal's website.

2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the municipality has successfully employed and trained 7 interns through this programme and a majority of them were appointed either in the municipality or other Institutions.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2012/13 MTREF in May 2012 directly aligned and informed by the 2012/13 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training

All the employees in the Budget and Treasury Office are busy with the training. (Others have just started while some are finalizing the program.

8. Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009 was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

5.13 Other supporting documents

LIM342 Mutale - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
REVENUE ITEMS:										
<u>Property rates</u>	6									
Total Property Rates		1,188	789	764	4,373	3,605	3,605	2,613	2,621	2,629
<i>less Revenue Foregone</i>					300	150	150	158	166	175
Net Property Rates		1,188	789	764	4,073	3,455	3,455	2,455	2,455	2,455
<u>Service charges - electricity revenue</u>	6									
Total Service charges - electricity revenue										
<i>less Revenue Foregone</i>										
Net Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
<u>Service charges - water revenue</u>	6									
Total Service charges - water revenue		18	460	6,080	7,602					
<i>less Revenue Foregone</i>					2,860					
Net Service charges - water revenue		18	460	6,080	4,742	-	-	-	-	-
<u>Service charges - sanitation revenue</u>										
Total Service charges - sanitation revenue			149	210	696					
<i>less Revenue Foregone</i>										
Net Service charges - sanitation revenue		-	149	210	696	-	-	-	-	-
<u>Service charges - refuse revenue</u>	6									
Total refuse removal revenue		109	134	198	655	431	431	721	793	872

Total landfill revenue <i>less Revenue Foregone</i>					6	6	6	8	8	9
Net Service charges - refuse revenue		109	134	198	648	424	424	713	784	863
<u>Other Revenue by source</u>										
Licenses & permits		2,938	347	1,746	14	14	14	15	17	18
Buildings Approval					68	136	136	75	82	91
Penalties					17	27	27	56	61	67
Refuse bag sales					2	–	–	2	2	3
Admin charges					144	125	125	158	174	192
AdvertisinG					3	3	3	4	4	4
Tourism fees					112	40	40	123	135	149
Profit on sale of asset					–	–	–	–	–	–
Supplier's registration					50	50	50	54	60	66
Annimal pounding					–	–	–	–	–	–
Sales of sites					2,507	3,054	3,054	1,205	1,000	700
Connections of water and sanitations	3				416	–	–	–	–	–
Total 'Other' Revenue	1	2,938	347	1,746	3,333	3,450	3,450	1,693	1,536	1,289
EXPENDITURE ITEMS:										
<u>Employee related costs</u>										
Basic Salaries and Wages	2	17,110	32,823	24,039	33,767	27,369	27,369	24,203	25,898	27,710
Pension and UIF Contributions		3,731	4,914	5,367	6,160	4,638	4,638	3,989	4,268	4,567
Medical Aid Contributions						323	323	289	309	331
Overtime		343	2	439	455	874	874	382	409	438
Performance Bonus		133	99	2,575	–	121	121	1,000	1,028	1,086
Motor Vehicle Allowance		2,479	2	1,975	3,959	2,243	2,243	2,538	2,715	2,906
Cellphone Allowance						152	152	166	177	190

Other materials										
Contracted Services										
Other Expenditure	6,495	2,085	7,124	7,733	6,477	6,477	7,013	6,886	7,423	
Total Repairs and Maintenance Expenditure	9	6,495	2,085	7,124	7,733	6,477	6,477	7,013	6,886	7,423

LIM342 Mutale - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive and council	Vote 2 - Municipal manager's office	Vote 3 - Budget and treasury office	Vote 4 - Infrastructure Development	Vote 5 - Corporate Services	Total
R thousand	1						
<u>Revenue By Source</u>							
Property rates				2,455			2,455
Property rates - penalties & collection charges							-
Service charges - refuse revenue					713		713
Service charges - other				-			-
Rental of facilities and equipment						258	258
Interest earned - external investments				83			83
Interest earned - outstanding debtors				121			121
Dividends received				-			-
Fines						275	275
Licences and permits						4,429	4,429
Agency services				-			-
Other revenue			123	75	1,332	162	1,693
Transfers recognised - operational				45,192	10,801	38	56,031
Gains on disposal of PPE				-			-
Total Revenue (excluding capital transfers and contributions)		-	123	47,926	12,846	5,162	66,057
<u>Expenditure By Type</u>							
Employee related costs	-		4,492	6,445	6,739	12,628	30,303

Remuneration of councillors	6,881					6,881
Debt impairment			116			116
Depreciation & asset impairment			3,240			3,240
Finance charges			337			337
Bulk purchases			-	-	-	-
Other materials			-	-	-	-
Contracted services			1,537	1,000	23	2,560
Transfers and grants						-
Other expenditure	1,436	1,839	4,616	8,414	3,900	20,206
Loss on disposal of PPE						-
Total Expenditure	8,317	6,331	16,289	16,153	16,551	63,642
Surplus/(Deficit)	(8,317)	(6,208)	31,636	(3,307)	(11,389)	2,415
Transfers recognised - capital				16,128		16,128
Surplus/(Deficit) after capital transfers & contributions	(8,317)	(6,208)	31,636	12,821	(11,389)	18,543

LIM342 Mutale - Supporting Table SA3
Supporting detail to 'Budgeted
Financial Position'

[illegible]

Call deposits < 90 days		-	-	3,000	5,000	5,000	5,000	-	-	-
Other current investments > 90 days		-	-	-	-	-	-	-	-	-
Total Call investment deposits	2	-	-	3,000	5,000	5,000	5,000	-	-	-
<u>Consumer debtors</u>										
Consumer debtors		-	-	6,887	13,049	6,525	6,525	6,086	6,634	7,297
<u>Less: Provision for debt impairment</u>		(1,369)	4,443	4,573	6,245	6,635	6,635	-	-	-
Total Consumer debtors	2	(1,369)	4,443	11,461	19,294	13,160	13,160	6,086	6,634	7,297
<u>Debt impairment provision</u>										
Balance at the beginning of the year		-	-	5,664	5,664	5,664	5,664	5,713	6,056	6,419
Contributions to the provision		-	-	-	861	861	861	861	861	861
Bad debts written off		-	-	(1,091)	(280)	110	110	116	122	128
Balance at end of year		-	-	4,573	6,245	6,635	6,635	6,690	7,039	7,408
<u>Property, plant and equipment (PPE)</u>										
PPE at cost/valuation (excl. finance leases)		43,735	51,015	71,258	97,076	97,076	97,076	115,619	136,032	157,578
Leases recognised as PPE	3	-	-	464	464	464	464	464	464	464
<u>Less: Accumulated depreciation</u>		-	-	17,130	19,253	3,074	3,074	4,425	5,847	7,340
Total Property, plant and equipment (PPE)	2	43,735	51,015	54,592	78,287	94,467	94,467	111,659	130,649	150,702
LIABILITIES										
<u>Current liabilities - Borrowing</u>										
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		394	257	255	216	216	216	652	721	394
Total Current liabilities - Borrowing		394	257	255	216	216	216	652	721	394
<u>Trade and other payables</u>										
Trade and other creditors		20,480	23,224	1,675	1,755	1,755	1,755	2,500	7,000	9,000
Unspent conditional transfers		11,665	7,645	6,087	-	9,404	9,404	6,000	-	-
VAT		-	-	4,928	6,226	-	-	-	-	-
Total Trade and other payables	2	32,145	30,869	12,690	7,982	11,159	11,159	8,500	7,000	9,000
<u>Non current liabilities - Borrowing</u>										
Borrowing	4	1,940	1,678	1,675	480	480	480	665	670	676
Finance leases (including PPP asset element)		623	443	228	341	341	341	312	343	378

Total Non current liabilities - Borrowing		2,562	2,121	1,903	822	822	822	977	1,014	1,054
Provisions - non-current										
Retirement benefits		-	-							
List other major provision items										
Refuse landfill site rehabilitation		-	-					1,000	1,100	1,210
Other		-	-		2,976	2,976	2,976	-	-	-
Total Provisions - non-current		-	-	-	2,976	2,976	2,976	1,000	1,100	1,210
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance		13,985	25,356	-		29,893	29,893	54,132	72,676	93,088
GRAP adjustments		-	-	-			-			
Restated balance		13,985	25,356	-	-	29,893	29,893	54,132	72,676	93,088
Surplus/(Deficit)		(77,944)	15,352	(14,017)	18,228	24,239	24,239	18,543	20,413	21,546
Appropriations to Reserves		-	-	-	-		-			
Transfers from Reserves		-	-	-	-		-			
Depreciation offsets		-	-	-	-		-			
Other adjustments		-	-	-	-		-			
Accumulated Surplus/(Deficit)	1	(63,959)	40,708	(14,017)	18,228	54,132	54,132	72,676	93,088	114,635
Reserves	-									
Housing Development Fund										
Capital replacement										
Self-insurance										
Other reserves										
Revaluation										
Total Reserves	2	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	(63,959)	40,708	(14,017)	18,228	54,132	54,132	72,676	93,088	114,635

LIM342 Mutale - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics		Census count/estimate										
Population		Census count/estimate			17	19	21	23	25	27	30	33
Females aged 5 - 14		Census count/estimate			17	19	21	23	25	27	30	33
Males aged 5 - 14		Census count/estimate			14	16	18	19	21	23	26	28
Females aged 15 - 34		Census count/estimate			12	13	14	16	17	19	21	23
Males aged 15 - 34		Census count/estimate			9	10	11	12	13	14	16	18
Unemployment		Census count/estimate			9	9	10	10	11	11	12	13
		-										
Monthly household income (no. of households)	1, 12											
No income												
R1 - R1 600		Census 2007										
R1 601 - R3 200		Census 2007			5,265	5,792	6,371	7,008	7,708	8,479	9,327	10,260
R3 201 - R6 400		Census 2007			1,757	1,933	2,126	2,339	2,572	2,830	3,113	3,424
R6 401 - R12 800		Census 2007			1,766	1,943	2,137	2,351	2,586	2,844	3,129	3,441
R12 801 - R25 600		Census 2007			792	871	958	1,054	1,160	1,276	1,403	1,543
R25 601 - R51 200		Census 2007			59	65	71	79	86	95	105	115

[illegible]

[illegible]

Property tax/service charges								40.0%	50.0%	60.0%	60.0%	60.0%
Rental of facilities & equipment					100.0%	80.0%	80.0%	70.0%	90.0%	90.0%	90.0%	90.0%
Interest - external investments									100.0%	100.0%	100.0%	100.0%
Interest - debtors									50.0%	50.0%	50.0%	50.0%
Revenue from agency services									100.0%	100.0%	100.0%	100.0%

5.14 Municipal manager's quality certification

I **Netshanzhe Thiathu Godfrey**, municipal manager of Mutale municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Tshinavhe Takalani Amon

Acting Chief Financial Officer of Mutale local Municipality

Signature _____

Date _____

Print Name: Netshanzhe Thiathu Godfrey

Municipal Manager of Mutale local Municipality (LIM342)

Signature _____

Date _____
